

## THE WTO AND U.S. ECONOMIC GROWTH

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**Helped by more open markets, America's economy flourished during the first five years of the WTO and the implementation of Uruguay Round results thus far.**

- Strong investment and open markets helped make the U.S. the fastest growing economy in the G-7, with an average annual GDP growth rate of 3.9% from 1994 to 1997.
- The U.S. per capita GDP rose relative to the handful of other high-income countries, exceeding the average for that group by more than 40% in 1998.
- Over 14 million new U.S. jobs were created in the last 5 years; unemployment is 4.0%, its lowest since January 1970; productivity growth accelerated, helping real hourly labor compensation grow 2.5% annually since the beginning of 1996.
- Recent research suggests U.S. job growth since 1993 has been dominated by higher paying jobs and that the benefits of higher compensation have been widely shared.

**The WTO and Uruguay Round have contributed to U.S. economic success.**

- Lower foreign trade barriers contributed to the 36% growth in U.S. exports over the last 5 years.
- Jobs supported by American exports grew by 1.4 million between 1994 and 1998 (latest data), with jobs supported by goods exports paying about 13% to 16% above the U.S. national average.
- Open markets at home and abroad helped American workers stretch their pay checks further with high quality, competitively priced imports and helped stem any incipient inflationary pressures as U.S. domestic demand surged in the 1998 and 1999.
- Academic studies estimate an annual GDP gain for the U.S. from the Uruguay Round of \$27 billion to \$37 billion (in 1992 dollars with full implementation of the agreement). These estimated gains still underestimate the effect of the Round on GDP – the studies take incomplete or no account of the cuts in non-tariff barriers to trade in goods and services, of the benefits of rules changes, or of the growth effects of more open markets.

**Agreements reached since the Uruguay Round position the U.S. for economic success in the 21<sup>st</sup> century.**

- **The Information Technology Agreement** opens an expanding \$600 billion global market for products such as computers and equipment, semiconductors, and telecommunications equipment;
- **The Agreement on Basic Telecommunications** opens up 95% of the world's telecommunications market covering the full range of innovative services and technologies pioneered in the U.S.
- **The Financial Services Agreement**, covering 102 countries opens markets encompassing \$38 trillion in global domestic banking, \$19.5 trillion in global securities trading, and \$2.1 trillion in world wide insurance premiums. Financial services is one of the most competitive U.S. sectors.
- In addition, more recent work on **electronic commerce**, has included an agreement to a moratorium on the imposition of customs duties on electronic transmissions.